

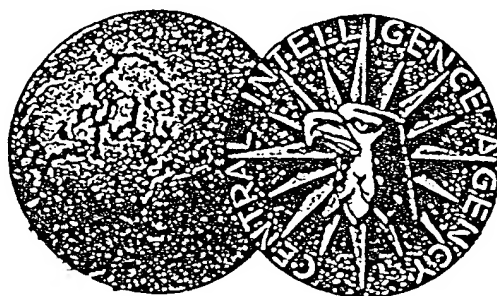
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COPY NO. 57
FOR THE ASSISTANT DIRECTOR
FOR REPORTS AND ESTIMATES

THE CRISIS IN INDOCHINA

CIA HISTORICAL REVIEW PROGRAM
RELEASE IN FULL



ORE 92-49

Published 10 February 1950

Document No. 001

NO CHANGE in Class ☐

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Class. CHANGED TO

DDA Memo, 4 Apr 77

Auth: DDA REG 77/1283

Date: 2/1/78

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THE CRISIS IN INDOCHINA

SUMMARY

For more than three years, an intense conflict has been in progress in Indochina, where indigenous nationalistic forces under the leadership of the Moscow-trained revolutionist, Ho Chi Minh, have opposed the reimposition of French authority. Within Vietnam, by far the most important of the three Indochinese states, a precarious military balance exists between the French and their Vietnamese followers on the one hand and Ho's forces on the other. Thus far, French progress toward both political and military objectives has been substantially less than is necessary to eliminate the threat to French tenure posed by the Resistance.

The French position and Bao Dai's prospects have recently been further weakened: politically by Chinese Communist and Soviet recognition of Ho Chi Minh, and militarily by the ability of the Chinese Communist forces to make military supplies available to Ho's forces. Unless the French and Bao Dai receive substantial outside assistance, this combined political and military pressure may accelerate a French withdrawal from all or most of Indochina which, previous to the Chinese Communist and Soviet recognition of Ho, had been estimated as probably occurring within two years. Moreover, in the unlikely event that the Chinese Communist government commits major military units against the French in Indochina, the French might have to withdraw earlier and faster.

The fighting in Indochina constitutes a progressive drain on French military resources

which is weakening France as a partner in the Western alliance. If France is driven from Indochina, the resulting emergence of an indigenous Communist regime in Vietnam, in combination with pressures which will be exerted by the new government of China and the Soviet Union, can be expected to cause adjacent Thailand and Burma to yield to this Communist advance. Under these conditions Malaya and Indonesia would also become highly vulnerable.

The French are trying to halt the present unfavorable trend by according certain aspects of sovereignty to Emperor Bao Dai and by an accelerated military campaign designed to deny productive areas to the Resistance and to reinforce the most vulnerable segment of the Sino-Vietnamese border adjacent to the coast. The French political aim is to attract non-Communist nationalists from the leadership of Ho Chi Minh to that of Bao Dai.

Meanwhile, Soviet and Chinese Communist recognition of Ho's regime has made it clear that the Kremlin is now prepared to exert greater pressure to achieve its objective of installing a Communist regime in Indochina. France alone is incapable of preventing such a development and can turn only to the US for assistance in thwarting this Communist strategy. Having already publicly proclaimed support of Bao Dai, the US is now faced with the choice of bolstering his weak and vulnerable position or of abandoning him and accepting the far-reaching consequences of Communist control of Indochina.

Note: The intelligence organizations of the Departments of State, Army, Navy, and the Air Force have concurred in this report. It contains information available to CIA as of 31 January 1950.

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THE CRISIS IN INDOCHINA

For more than three years, an intense conflict has been in progress in Indochina in which nationalistic Vietnamese forces under the leadership of the Moscow-trained revolutionist, Ho Chi Minh, have opposed the reimposition of French authority. At present, the Vietnamese Resistance controls major portions of the three regions which constitute Vietnam, while the French, at a severe cost in manpower and military resources, hold the major cities and a number of military outposts, and control the states of Cambodia and Laos.

Within Vietnam, a precarious state of balance exists between the French and their Vietnamese followers on the one hand and Ho's resistance forces on the other. In their attempts to swing this balance decisively in their favor, the French are depending on successes in both the political and military field. The French hope to extend military control over the agricultural regions of the coast, thereby confining the resistance forces to the relatively impoverished hinterland. In the political realm, the French hope that the establishment of a Vietnamese state—autonomous within the French Union under the former Emperor of Annam, Bao Dai—will cause the resistance forces to lose the greater part of their nationalistic following.

Thus far, French progress toward both political and military objectives has been substantially less than is necessary to eliminate the threat posed by the vigorous resistance forces. The military campaign constitutes a progressive drain on French military resources which is weakening France as a partner in the Western alliance. Continuing internal disorder is largely denying the benefits of Indochina's resources not only to France but to the deficit areas of the Far East as well. The conflict itself is easily interpretable in Communist propaganda as an example of "imperialistic" suppression of Far Eastern nationalistic aspirations. These factors alone are of suffi-

cient gravity to make the solution of Indochina's problems a matter of concern to the West.

New factors now threaten to upset the precarious balance in Indochina entirely, thus making the solution of Indochina's problems a matter of immediate serious concern. The French position and Bao Dai's prospects have recently been further weakened: politically by Chinese Communist and Soviet recognition of Ho Chi Minh, and militarily by the ability of the Chinese Communist forces to make military supplies available to Ho's forces. The effect of Chinese Communist military assistance to Ho's resistance forces will probably be felt within six months. Unless the French and Bao Dai receive substantial outside assistance, this combined political and military pressure may accelerate a French withdrawal from all or most of Indochina which, previous to the Chinese Communist and Soviet recognition of Ho, had been estimated as probably occurring within two years. Moreover, in the unlikely event that the Chinese Communist government commits major military units against the French in Indochina, the French might have to withdraw earlier and faster.

The emergence of an indigenous Communist-oriented regime in Indochina as a result of these developments, in combination with the pressures which will be exerted by the Communist regime in China, can be expected to cause adjacent Thailand and Burma to yield to this Communist advance. Under these conditions Malaya and Indonesia would also become highly vulnerable.

During the time remaining before the effect of Chinese Communist aid to the resistance forces in Indochina is felt, the French will probably attempt to halt the present unfavorable trend by developing and accelerating their present political and military programs. The French intend to complete already initiated political plans designed to accord the Bao Dai regime certain aspects of

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sovereignty and will be under constant pressure to negotiate the progressive relinquishment of certain other controls. The present period of uneasy balance is probably too short, however, to permit an effective political response to such gradual actions unless the grants of power to the Bao Dai regime are considerably broader than is now anticipated.

The French plan to complete a major campaign in North Vietnam designed to secure firm control of the Red River delta area and the most vulnerable segment of the Sino-Vietnamese border adjacent to the coast. Nevertheless, although French military circles continue to be optimistic regarding the speedy conclusion of this campaign, the additional burden on military resources in North Vietnam imposed by the presence of Chinese Communist troops along the frontier will probably be aggravated by virtue of the fact that the French control only a small fraction of the Sino-Vietnamese border and therefore cannot prevent extensive contact between the Chinese Communists and the Vietnamese Resistance.

A variety of other expedients for the alteration of the present unfavorable trend in Indochina are believed to have been examined and rejected by the French. The concept of direct French negotiation with the Communist leaders of the Vietnamese Resistance, while given some support by the left wing in France, apparently has been rejected as involving risks too grave to allow serious consideration. The concepts of conciliation, mediation, or arbitration of the Vietnamese problem by the UN or some specially appointed international body, appears to be equally unacceptable to the French, largely because of considerations of prestige. In any event, such international

mediation probably would be precluded by a consideration of the limited time available for action. The concept of an immediate grant of full power to the Bao Dai regime which, by its fulfillment of Vietnamese nationalistic aspirations, might offer some prospect for the success of a future French "partnership" in Indochina, appears to be unacceptable in view of the very strong probability that Bao Dai's regime of itself would be unable to prevent the eventual ascendancy of the present resistance movement and thus the probable establishment of a pro-Communist regime.

In view of the unacceptability to the French of such alternative expedients, they most probably will continue generally along their present course of action, while at the same time actively soliciting political, economic, and military support from the other nations of the West. It will soon be necessary for the French to concede to the Bao Dai regime at least the fullest measure of autonomy possible within the restricting structure of the French Union. Simultaneously, Bao Dai would have to receive substantial political, economic, and military assistance.

Meanwhile, Soviet and Chinese Communist recognition of Ho's regime has made it clear that the Kremlin is now prepared to exert greater pressure to achieve its objective of installing a Communist regime in Indochina. France alone is incapable of preventing such a development and can turn only to the US for assistance in thwarting this Communist strategy. Having already publicly proclaimed support of Bao Dai, the US is now faced with the choice of bolstering his weak and vulnerable position or of abandoning him and accepting the far-reaching consequences of Communist control of Indochina.

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APPENDIX A

FRENCH AND RESISTANCE INTENTIONS AND CAPABILITIES

The major underlying motives and justifications of the French in refusing the demands (from both the Resistance and Bao Dai) to deliver full sovereignty are, in order of importance: (1) a desire to perpetuate French prestige; (2) a wish to protect local French interests; (3) a desire to assist in containing Communism in Asia; and (4) a belief that the Vietnamese are not yet ready to govern themselves. France, however, will probably soon ratify the limited concessions contained in the 8 March Agreements.

The French have attempted to suppress Vietnamese nationalist Resistance through two courses of action. The first of these, direct military conquest, has not yet achieved any notable success. Although most all of the 150,500 regular forces (137,000 Army, 8,500 Navy, and 5,000 Air) under French command in Indochina are committed to the suppression campaign, only a relatively small area of Vietnam is under French control. This includes major cities, strategic positions in the delta areas of the Red and Mekong rivers, and posts along the China frontier.

While achieving a small measure of military success in the Hanoi area in recent months, the French position has become worse in the combat areas of North Vietnam, and it appears that some outlying posts may be abandoned. A portion of the reinforcements intended for defense of the Sino-Vietnamese border regions, moreover, may have to be diverted to Central Vietnam in order to make present lines tenable. In the south, the French have met with some success in recent operations southwest of Saigon, but at a heavy cost to the long-run economic well-being of the area.

The second of the two French lines of attack on the resistance movement, political action, has accomplished little. The Bao Dai experiment, now officially over ten months old

and actually more than two years in the making, has thus far failed in its expected object of luring significant non-Communist groups away from Ho Chi Minh's camp. French delay in implementing the agreements reached last March for a transfer of even partial attributes of sovereignty to Bao Dai's regime has undermined the ex-Emperor's prestige. The suspicion within Vietnamese ranks that the French have no intention of granting genuine independence is presently being paralleled in the cool reception which other Asiatic powers are giving Bao Dai's attempts to achieve de facto recognition as chief of a "sovereign" state within the French Union. Locally, although Bao Dai personally has recently laid stress on cooperation between France and Vietnam, the native press and even the ostensibly pro-Bao Dai radio have become increasingly shrill, ultranationalistic, and impatient in tone.

In summary, if present trends continue, it can be concluded: (1) with the military forces now available, the reserves which can be committed, and with foreseeable outside assistance, France can do no more than maintain a temporary stalemate with the Vietnamese resistance; and (2) it is unlikely that Bao Dai will be able to win the political support of any appreciable fraction of the resistance movement.

Up to the present, the Vietnamese resistance movement has countered French military moves primarily through the techniques of guerrilla warfare. In the past months, however, the resistance spokesmen claim that the point is being approached where offensive action can be taken against the French, a potential which has been increased as a result of the extension of Chinese Communist authority to the borders of Tonkin and the coast and islands of South China. Meanwhile, the Resistance has continued its harassing at-

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tacks upon French lines of communication and upon North Vietnam outposts, with apparently fair success. Even in relatively quiet areas of Central Vietnam, terrorism continues and causes convoy losses, while the sabotage of small rubber plantations continues in the south.

The Resistance has been largely successful in maintaining an apparent facade of genuine nationalism; whether willingly or not, four-fifths of the population of Vietnam profess adherence to Ho Chi Minh. Communist successes in China have been hailed by Resistance spokesmen and the Soviet press and radio have continued to champion Ho.

A number of developments during the past six months suggest that the Resistance, in a stiffening attitude, is now determined to settle for nothing less than total and unconditional independence. This position, involving explicit repudiation of the French Union, has been plainly stated by the Resistance radio. The delegation which the Ho Government had maintained in Paris for more than three years was withdrawn on 1 August. The left wing was strengthened at the top level of the Vietnamese hierarchy, through the elevation of

Communist Pham Van Dong to the positions of Vice-President (previously unfilled) and Chairman of the Supreme Council of National Defense (previously filled by Ho). Ho's Ministry of Foreign Affairs, moreover, has given notice that support of Bao Dai by foreign governments will be regarded as an "unfriendly gesture toward the people of Vietnam and the government which represents them" and has declared itself willing to enter into relations, based upon equality and mutual respect, with any country. The government of the "Democratic Republic of Vietnam" has formally recognized the People's Republic of China and its request for recognition was accepted on 18 January by the Chinese Communists. On 30 January Ho's government was recognized by the Soviet Union.

In summary, if present trends continue, it can be concluded that: (a) Vietnamese military capabilities will remain undiminished in the immediate future and may be expected to increase greatly, and (b) the great mass of active and inactive supporters of Ho Chi Minh will continue to be effectively persuaded through propaganda and coercion into supporting the Resistance.

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APPENDIX B

PAST HISTORY AND POSTWAR DEVELOPMENTS

The area generally known as French Indochina is a political entity constituted by the artificial fusion of economically and culturally unrelated areas as a result of the French conquests of the 19th century. The two western kingdoms of Cambodia and Laos have inherited an Indic culture while the three east coast "kys" of Vietnam, i.e., Tonkin, Annam, and Cochinchina, have been strongly influenced and unified for centuries by Chinese culture. When the French assumed control of the whole region in the latter half of the 19th century, they established five arbitrary administrative units under the control of the Governor General of the Indochinese Union. Cochinchina, the wealthiest of the Vietnamese "kys," was governed as a colony while the other four zones were protectorates, with French control paramount throughout the area. These arrangements, while docilely accepted by the racially distinct Cambodians and Laotians, ran counter to the national consciousness of the Vietnamese inhabitants of Tonkin, Annam, and Cochinchina. Vietnamese opposition to French rule, alternately latent and active during the past eighty years, lies at the base of the present conflict.

In March 1945, the Japanese, who had been the self-invited "guests" of the French in Indochina after 1940, seized complete control from the Vichy French government of Indochina, crushed or drove from the country the remnants of the French Army, and established a government for Vietnam under the leadership of Emperor Bao Dai of Annam. Attempts by the Japanese to win the sympathy of Vietnamese nationalists, however, showed only meager results, and the wartime Bao Dai

¹ "Ky" is a Vietnamese term referring to each of the three regions of Vietnam (bac-ky=Tonkin, Trung-ky=Annam, Nam-ky=Cochinchina) and to these regions only.

government fell with its sponsor in August 1945.

The Viet Minh League, a clandestine organization which had for some time followed an anti-Vichy, anti-Japanese program under the direction of the veteran Communist-trained revolutionist, Ho Chi Minh, quickly moved into the political vacuum brought on by the collapse of Japan and, in mid-August, proclaimed the Democratic Republic of Vietnam. On 2 September 1945 Vietnam declared its independence from France. Although at that time (and today) the new government was backed by and included many non-Communist Vietnamese, it has unquestionably been led by Communists and Communist-trained revolutionists.

After Japan's capitulation, the Allies divided occupation duties in Indochina at the 16th parallel and assigned the northern half to the Chinese and the southern to the Allied Southeast Asia Command during the period of Japanese troop disarmament. The forcible seizure of power in Saigon by French troops in September 1945 precipitated armed clashes between Anglo-French occupation forces and the Vietnamese in Cochinchina. British forces stayed only long enough to await the local re-establishment of French control and withdrew in January 1946. In the summer of 1946, the Chinese also withdrew from the North, after the conclusion of the Sino-French Treaty of 28 February 1946 which offered substantial political and economic concessions to the Chinese.

In March 1946 the French concluded a "preliminary convention" with Ho Chi Minh, recognizing the Republic of Vietnam as a "free state" within the French Union, enjoying its own government, parliament, army, and finances. The question of Cochinchina's unification with Vietnam was to be determined by referendum. The French, however, in ef-

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fect denied Vietnam sovereignty over Cochinchina, and in June 1946, established an "autonomous" government in the southern ky. Despite the continuation of sporadic fighting in Cochinchina, nominal peace obtained between France and the Republic of Vietnam. During the summer of 1946, delegates from the two countries met in Paris to confer in an atmosphere made heavy by the news of recent French military advances beyond the borders of Cochinchina. The Franco-Vietnamese *modus-vivendi*, which was signed on 14 September, did not attempt to resolve the thorny Cochinchina question. Its principal object was to provide for a military cease-fire and stand-fast agreement, to elaborate on the structure of the proposed Indochinese Federation, and to define French rights and priorities in Vietnam. The status of Cochinchina remained dependent upon the referendum provided for in the 6 March 1946 agreement. However, procrastination in holding the referendum and continuing French police action, involving suppression of pro-Ho Chi Minh sentiment in zones under French control, disillusioned the Vietnamese. It became obvious that the French wanted a French-dominated Indochinese Federation composed of Vietnam,¹ Cochinchina, Cambodia, and Laos, all four with separate governments. The French wished to "divide and rule," but the Vietnamese refused to cooperate. When the French forcibly seized control of the Haiphong customs in November 1946, local clashes took place. Full-scale guerrilla warfare, beginning in Hanoi on 19 December 1946, became general and has continued to date.

In the past three years, the French, drawing heavily on their available military resources in France and Africa, have built up armed forces numbering about 150,000. They have driven the Ho Chi Minh Government into northern Tonkin, occupied the major cities of the "three kys," quieted unrest in Cambodia and Laos, and recently recognized these states' rights to "independence within the French Union." Despite their major military commitment, however, the French have been under such constant and destruc-

tive attack on their lines of communication that their position in Tonkin is still precarious. The rural areas of Tonkin, Annam, and even Cochinchina remain almost completely under the control of Vietnamese guerrillas.

Together with their military efforts, the French have attempted to achieve a political solution of the problems of Indochina. Early in 1947, they proclaimed Cochinchina a "free state" within the Indochinese Federation and the French Union, and subsequently they established "administrative committees" in certain urban areas of Tonkin and Annam. Concurrently, French representatives began a series of conversations with Bao Dai (former Emperor of Annam) who, after working first with the Japanese and then with Ho Chi Minh, had abdicated and withdrawn to Hong Kong in early 1946. The French wanted Bao Dai to return and head a government of the "three kys." Bao Dai was willing to listen to the French proposals but demanded that liberal concessions be made to any government with which he might become associated. The give and take between French representatives and Bao Dai's entourage culminated on 5 June 1948, on board a French cruiser in Baie d'Along near Haiphong, when French High Commissioner Bollaert, General Nguyen-van-Xuan, until then President of the autonomous Cochinchina Republic, and Bao Dai signed an agreement. France recognized the independence of Vietnam within the French Union, while Vietnam (in the person of Bao Dai) obligated itself to respect the rights and interests of French nationals, to "assume constitutional respect" for democratic principles, and to give priority to French advisers for the needs of the Vietnamese domestic organization and economy.

Immediately after the signing of the Baie d'Along Agreement, the Provisional Central Government of Vietnam was established, with Xuan as its President. Detailed negotiations were to follow with French representatives during which arrangements would be made for cultural, diplomatic, military, economic, financial, and technical agreements. By all these political means the French hoped to attract the non-Communist partisans of Ho Chi

¹ Tonkin and Annam only, according to the French view.

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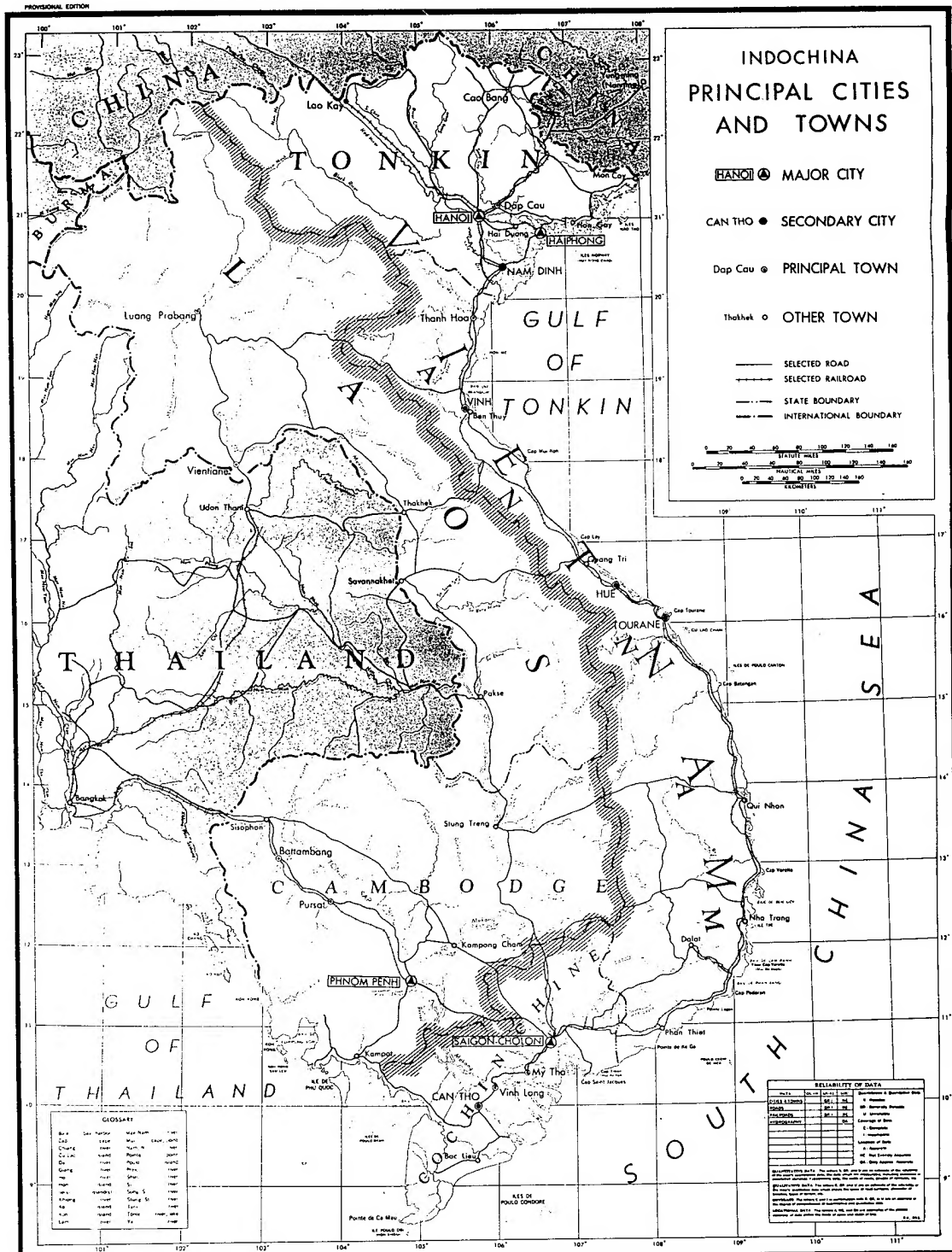
Minh's government and to rally popular support for the Provisional Government.

During the next few months, the French National Assembly continued to postpone ratification of the Baie d'Along Agreement, and those few Vietnamese leaders who had at first been enthusiastic over French promises began to lose faith. The French military position in Tonkin, furthermore, deteriorated progressively. In an attempt to revitalize the Bao Dai experiment, the French Government once more entered conversations with the ex-Emperor in France during the fall of 1948. As the price of his return to Indochina, Bao Dai demanded a "treaty" setting forth in detail the specific powers which the French would transfer to his proposed government, insisting that his mission would fail if he could not offer his people a substantial degree of independence. Bao Dai also demanded that the necessary legal steps be taken to pave the way for unification of Cochinchina with Tonkin and Annam. These new conversations were instituted by Leon Pignon, who succeeded Bollaert as High Commissioner in October 1948 and were terminated on 8 March 1949 by an exchange of letters between President Auriol and Bao Dai, including an attached agreement, completing and defining the joint declaration signed at Baie d'Along. In general, the accord provided for internal political autonomy within Vietnam (with only limited Vietnamese diplomatic rights); native-controlled courts (with extraterritorial privileges for French citizens and foreign nationals favored by treaty); a native army advised by the French (with military bases available to the French Army and French right to circulate between such bases); Vietnamese currency (linked to the franc) and safeguards for French economic interests. French approval of the principle of the unification of Cochinchina with the other two Vietnamese "kys" was also included.

On 13 March 1949, the French National Assembly approved the provision for the change in Cochinchina's status, and a "freely elected" Territorial Assembly was soon organized in Cochinchina. This body voted for unification of the "three kys" on 21 April. One week later, Bao Dai returned to Indochina. The

French Assembly approved the unification of Cochinchina with Tonkin and Annam on 4 June 1949 but postponed final approval of the 8 March Agreements. On 14 June, after an exchange of letters between Commissioner Pignon and Bao Dai in Saigon, the latter formally took over the direction of Vietnam with the provisional title of Emperor. By the late summer of 1949 a French-Vietnamese committee for the implementation of the 8 March Agreements began its attempts to reach supplementary conventions to the accord, but up to 29 December 1949, only minor agreements had been reached. On 30 December, however, it was announced that last-minute conversations had resulted in conventions covering a transfer of administrative authority in some thirty fields. Economic discussions await an interstate (Vietnam, Cambodia, Laos, and France) conference now scheduled for late January or early February. Secrecy surrounding details of the 30 December 1949 conventions and the fact that the most vital economic and military issues have been postponed has given rise to suspicion as to whether this "transfer of power" is genuine. The recently announced cabinet under Premier Nguyen Phan Long (Bao Dai remains as Chief of State) does not indicate any acquisition of popular support by Bao Dai.

The approval of the basic agreements with three Indochinese states by the French Assembly was accomplished on 28 January. Approval of the supplementary 30 December Accords as well as further negotiation in Indochina and approval by a representative Vietnamese body must now follow. Meanwhile, efforts to obtain international recognition of Bao Dai have included successful sponsorship of Vietnam's admission to the Economic Commission for Asia and the Far East (ECAFE), and the transmittal to neighboring countries, the US, UK, and Vatican of letters announcing the existence of the new state. The US and the UK, now that the French Assembly has ratified the Indochinese Agreements, plan shortly to accord recognition to Bao Dai. On the other hand, Ho's regime was recognized by the Chinese Communists on 18 January and by the USSR on 30 January.



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